GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department - Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Berger Paints India Limited to their integrated paints plant established at Hindupur, Anantapuramu District on par with M/s Asian Paints – Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 39 Dated: 12-02-2019

Read the following:-

1. G.O.Ms.No. 10 Industries and Commerce (IP) Department Dated 10.01.2012.
2. G.O.Ms.No. 78 Industries and Commerce (P & I) Department Dated 15.09.2015.
3. G.O.Ms.No. 114 Industries and Commerce (P & I) Department Dated 22.08.2016.
4. Representation of M/s Berger Paints dated 17.12.2018.
5. Minutes of SIPB Meeting dt.9-2-2019.

****

ORDER:

M/s Berger Paints India Limited has proposed to establish a Paint manufacturing facility in Hindupur, Ananthapuramu District with a total investment of Rs.496.5 Crores in two phases, and GoAP has granted certain special package of incentives as Mega Project in G.O 1st read above. M/s. Berger Paints India Limited has started Commercial Production on 01.09.2014 and invested an amount of Rs.305.00 Crores as on 17.12.2018.

2. In G.O 2nd read above, M/s Asian Paints Limited has been offered special package of incentives over and above the incentives extended to M/s Berger Paints for a period of 12 Years for their proposed project at industrial Cluster (Non SEZ), Rambilli Mandal, Visakhapatnam with an investment of Rs.1750 Crore in phases over 12 years.

3. M/s. Berger Paints India Limited earlier made a representation to Government requesting for incentives on par with Asian Paints, in order to create a level playing field as they are the 1st mover and have established their project in the backward district of Andhra Pradesh.

4. The proposal was discussed in the SIPB meeting held on 08.07.2016 and Government in G.O 3rd read above and extended the following incentives to M/s Berger Paints to create a level playing field and being located in backward district:

> ***"For Existing unit - 100% reimbursement of gross VAT/ State Goods and Services Tax (SGST) from the date of commercial production of M/s. Asian Paints Limited for the remaining period (12 years minus No. of years incentives availed as per original incentive package issued vide G.O.Ms.No.10, dated 10.01.2012) or upto 100% of the eligible capital investment, whichever is earlier on the lines of Asian Paints***."

5. M/s Berger Paints India Limited has again represented the Government in the reference 4th read above informing that their's is the first major paint industry to enter the backward and undeveloped District of Andhra Pradesh, and created an eco-system for development of 30 small businesses, creating employment to local people. It was further informed that their competitor Asian Paints, due to special package of incentives offered for a period of 12 years, will enjoy an extra 5 years benefit of SGST @ 100%, which may be used to further provide rebate in their products in Andhra Pradesh to garner market share, and M/s Berger Paints become uncompetitive, and thereby the unit will run into losses.

6. Against this backdrop, the Company has requested the Government of Andhra Pradesh to reconsider the matter and grant 100% VAT/SGST refund for a period of 12 years on the lines of Asian Paints, from the date of Commercial production of Asian Paints, to enable them to make further investment of Rs. 110 Crore in next 5 years.

7. The issue was discussed in the State Investment Promotion Board meeting held on 09.02.2019 and the Board decided to extend the following incentives to M/s.Berger Paints:

> ***"SIPB discussed the proposal in detail and decided to extend incentives on the lines of Asian Paints in order to create a level playing field. However, the incentives will be effective from the date of issue of incentives G.O (G.O.Ms.No.78 Industries and Commerce (P&I) Department Dated 15.09.2015) in favour of M/s Asian Paints Limited, for a period of 12 years and the industry shall pay the incentives amount already availed as per earlier incentive package upto that year (G.O.Ms.No.78 Industries and Commerce (P&I) Department Dated 15.09.2015) before claiming the new incentives."***

8. Government after careful examination of the matter and in supersession of the orders issued in the G.O 3rd read above, hereby extend incentives to M/s Berger Paints India Limited on the lines of M/s Asian Paints Limited from 15.9.2015 (date of issue of G.O.Ms.No.78 Ind. & Com. (P&I) Dept., dt.15-9-2015, in favour of M/s Asian Paints) for a period of 12 years subject to condition that the Berger Paints shall pay the incentives amount already availed as per earlier incentive package upto 15.9.2015 in order to create a level playing field, before claiming the new incentives.

9. The Commissioner of Industries, Vijayawada shall take necessary action, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Vijayawada.
The VC & MD, APIIC, Vijayawada.
M/s. Berger Paints India Limited, New Delhi through Commissioner of Industries, Vijayawada.

Copy to:
The Revenue (Lands) Department, A.P. Secretariat.
The Revenue (CT) Department, A.P. Secretariat.
The Revenue (Registration) Department, A.P. Secretariat.
The PR& RD (PR) Department., A.P. Secretariat.
The MA& UD Department, A.P. Secretariat.
The Finance (FMU – I&C) Department, A.P. Secretariat.
The EFS&T Department, A.P. Secretariat.
The Law(H) Department, A.P. Secretariat.
The Water Resources Department, A.P. Secretariat.
The Ind.& Com (Infra) Dept, A.P. Secretariat.
The LET & F Department, A.P. Secretariat.
The H.M.& F.W. Department, A.P. Secretariat.
The TR&B Department, A.P. Secretariat.
The Accountant General, Andhra Pradesh.
The Secretary, Skill Development Department.
The Member Secretary, AP Pollution Control Board, Vijayawada.
The Commissioner of Commercial Taxes, GoAP, Vijayawada.
The Collector& District Magistrate, Ananthapuramu District.

The General Manager, District Industries Centre, Ananthapuramu District.
P.S. to Principal Secretary to Chief Minister, AP Secretariat.
PS to Minister, Ind. & Com. Dept., A.P. Secretariat.
P.S. to Chief Secretary to Government, A.P. Secretariat.
P.S. to Secretary to Government & CIP, Industries & Commerce Dept., AP. Secretariat.
SC/SF.

//FORWARDED BY ORDER//

SECTION OFFICER